



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCaULEY
AUDITOR-CONTROLLER

WENDY L. WATANABE
CHIEF DEPUTY

December 4, 2007

TO: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **LOS ANGELES COUNTY FAIR ASSOCIATION AUDIT REPORT FOR
THE YEAR ENDED DECEMBER 31, 2006**

In 1988, the County entered into a Ground Lease and Operating Agreement (Agreement) with the Los Angeles County Fair Association (Association) for the Association to use and develop the County Fairgrounds (Fairgrounds). The Agreement requires the Association to pay rent to the County based on the Association's gross revenues from the use of the Fairgrounds. We contracted with a private Certified Public Accounting firm, Mayer Hoffman McCann P.C. (MHM), to audit the rent paid to the County by the Association for the year ended December 31, 2006.

MHM reported that the Association earned \$33,100 in advertising revenue from "non-Fair time" but did not include the revenue in the County Lease Calculation. Under the Agreement, advertising revenue from "non-Fair time" must be included in the calculation. The Association's exclusion of this revenue resulted in an underpayment to the County of \$1,159. The Chief Executive Office (CEO) will collect the underpaid rent from the Association.

MHM also noted that the Association excluded certain racing and wagering revenue from the calculation of rent due to the County. County Counsel agreed that the revenue should be excluded. However, we noted that the Association did not exclude these revenues from the 2002 through 2005 rent calculations. As a result, the Association overpaid the County for these years. The CEO has agreed to refund the amount

overpaid to the Association. We will work with the CEO and the Association to determine the amount overpaid that should be refunded to the Association.

Please call me if you have questions, or your staff may contact Terri Kasman at (626) 293-1121.

JTM:MMO:JLS:TK

Attachments

c: William T Fujioka, Chief Executive Officer
Jim Henwood, President, Los Angeles County Fair Association
Michael D. Seder, Vice President and CFO, Los Angeles County Fair Association
Karen Furlow, Controller, Los Angeles County Fair Association
Sachi A. Hamai, Executive Officer
Public Information Office
Audit Committee

COUNTY OF LOS ANGELES

Independent Accountants' Report
On Applying Agreed Upon Procedures

Lease year 2006 – Chief Administrative Office
County Fair Association

For the Period January 1, 2006
Through December 31, 2006



Mayer Hoffman McCann P.C.
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Mr. J. Tyler McCauley
Auditor-Controller
County of Los Angeles
Los Angeles, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

On January 20, 1988, the County of Los Angeles (County) entered into a Ground Lease and Operating Agreement (Agreement) with the Los Angeles County Fair Association (Association) for the use and development of the Los Angeles County Fairgrounds. The Agreement requires that the Association pay rent to the County. The rent payable is calculated by using gross revenues derived from the use of the property and received by the Association during a lease year. To determine the annual rent, the Association prepares a "Year to Date County Lease Calculation" which summarizes the gross revenues received during that lease year, and calculates the lease amount, in accordance with the Agreement.

We have performed the procedures enumerated below, which were agreed to by the County of Los Angeles, solely to assist County management in evaluating the Los Angeles County Fair Association's compliance with the Ground Lease and Operating Agreement, the First Amendment to the Ground Lease and Operating Agreement (First Amendment), dated January 28, 2000, and the Second Amendment to the Ground Lease and Operating Agreement (Second Amendment), dated September 30, 2003, between the County and the Association for the period January 1, 2006 through December 31, 2006. This engagement to apply agreed-upon procedures was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

SUMMARY OF RESULTS

The procedures performed and the results of those procedures are identified below in detail. The following is a summary of the more significant items noted as a result of those procedures.

- For Lease Year 2006, we noted an area where our procedures required us to make an adjustment to the rent calculation that was submitted by the Fair Association. A revenue reduction reported on the Lease Calculation did not appear to qualify as a revenue exemption under the Lease Agreement. The adjustment reflected below was previously excluded in the calculation. The underpayment is summarized as follows:

Adjustment to include certain advertising revenue ($\$33,100 \times 3.5\%$) \$1,159

Amount under paid by the Fair Association as of June 22, 2007 \$1,159

For additional details, please see item 7.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles

Page 2

- For the significant item identified in the prior report, 2005 Lease Year, we ascertained the current status of this item:
 - a. It was determined that the County owed the Association for overpaid rent of \$1,464. The County has since issued a warrant to the Association for the amount due.

Our procedures and findings are as follows:

COUNTY LEASE CALCULATION

1. We obtained a copy of the most recent Lease Agreement, dated January 20, 1988, the First Amendment, dated January 28, 2000, the Second Amendment, dated September 30, 2003, and a letter of understanding of gross rent, dated September 11, 2006, between the County and the Association. We read the agreement and the amendments to gain an understanding of the revenue categories to be included and excluded in gross revenues for the calculation of rent.

We obtained a copy of the 2006 Year to Date Lease Calculation Schedule (Lease Calculation Schedule) that was prepared by the Association in April 2007 (Exhibit 1). We recalculated the information contained on the Lease Calculation Schedule to determine if the form was mathematically correct. We footed and cross footed all subtotals and totals, and recalculated the rent payment for each revenue type.

Results: We noted no exceptions as a result of our procedures.

2. We obtained a copy of the Association's 2006 trial balance for all revenue accounts. We compared total revenue reported on the Lease Calculation Schedule to the total revenue per the 2006 trial balance. We also compared all individual revenue line items on the Lease Calculation Schedule over \$2,000,000 to the corresponding revenue accounts in the 2006 trial balance.

Results: We noted no exceptions as a result of our procedures.

3. We obtained the Association's 2006 Annual Report prepared by the Association's independent auditor, Vavrinek, Trine, Day & Co., L.L.P., and compared total revenues per the audited financial statements to the gross revenues on the Lease Calculation Schedule.

Results: Total revenues per the financial statement and the lease calculation schedule were \$74,313,212 and \$52,355,327, respectively. The difference between amounts reported on the lease calculation schedule and the audited financial statement is summarized as follows:

Total revenues per audited financial statement	\$74,313,212
Add:	
Intercompany eliminations	2,111,921
Less:	
Hotel revenue	12,965,998
Barretts revenue	3,733,290
Interest revenue	667,144
Cornucopia revenue	6,066,334
Gain on interest swap	<u>637,040</u>
Total revenues reported on the Lease calculation schedule	<u>\$52,355,327</u>

Gross revenues earned by Cornucopia Foods, Inc. and Barretts (subsidiaries of the Fair Association) and the Hotel are not included as part of the County Lease Calculation, which is consistent with the letter of understanding from the County Chief Administrative Office dated September 11, 2006.

4. In accordance with the Agreement, the Fair Association segregated Fair Revenue from Interim (non-fair) Revenue. The annual lease payment is calculated using 1.5% for fair revenues and 3.5% for interim revenues. We obtained an understanding of the methodology used in classifying Fair Revenues versus Interim Revenues on the Lease Calculation Schedule. The classifications are based on specific revenue accounts reflected in the trial balance. We selected all gross revenue line items over \$2,000,000 and recalculated the portions allocated to fair revenue and interim revenue.

Results: We noted no exceptions as a result of our procedures.

5. For the more significant gross revenue categories, we performed specific tests to ascertain whether selected revenue entries were in agreement with the appropriate supporting documentation and properly recorded in the trial balance (posted to the correct account). Our specific tests are described as follows:

- A. **Admissions** – We reviewed the Admissions, Parking and Carnival Revenue Report (Revenue Report), which summarized revenues for the entire Fair period of eighteen days. We compared the summary revenue report to the daily Revenue Reports. In addition, we compared the totals from the Revenue Reports to the trial balance.

Results: We noted no exceptions as a result of our procedures.

We selected four days from the daily Revenue Reports (9/9/06, 9/16/06, 9/23/06 and 9/30/06). We obtained the Admission Summaries and compared the actual cash received per summaries to the amount reported on the daily Revenue Reports.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles
Page 4

Results: No material exceptions were noted. However, for one of the days tested (9/23/06), we were unable to verify and agree the amount reported for carnival admissions to actual cash received per summaries for Seller Number 132 in the amount of \$14,500. Per inquiries with Fair personnel, the support may have been misfiled. The lowest seller for that day reported \$1,633 and the highest seller reported \$16,710. Based on our review, it does not appear that overall admissions revenue was misstated.

- B. **Food and Beverage Sales** – We selected two individually significant cash receipts posted to the General Ledger Detail to determine if amounts were properly recorded as Fair Revenue. We obtained details for the concession deposits posted on 10/1/06 and 12/4/06. From the details of the deposits, we also agreed four of the individually significant amounts to cash receipt records and obtained concession contracts for vendors to ensure that the term of the occupancy was during the Fair period.

Results: We noted no exceptions as a result of our procedures.

- C. **Parking** – We selected four days from the daily Revenue Reports (9/9/06, 9/16/06, 9/23/06 and 9/30/06) and obtained the Parking Summaries for those four days. From the Parking Summaries, we selected the significant parking attendant revenue amounts and obtained the individual “Parking Salesman’s Daily Reports” (Daily Reports). We compared the amounts per the Daily Reports to the amounts reported on the daily Parking Summaries.

Results: We noted no exceptions as a result of our procedures.

- D. **Fair Sales** – We selected two individually significant cash receipts posted to the General Ledger Detail to determine if amounts were properly recorded as Fair Revenue. We obtained details for the commercial deposit posted on 8/15/06 and 8/16/06. From the details of the deposits, we also agreed four of the individually significant amounts to cash receipt records and obtained concession contracts for vendors to ensure that the term of the occupancy was during the Fair period.

Results: We noted no exceptions as a result of our procedures.

6. We obtained the General Ledger Detail dated January 1, 2006 through December 31, 2006 for the following accounts: Admissions (Department 30), Food & Beverage (Department 34), Parking (Department 25), and Fair Sales (Department 52). We compared the total revenues per the General Ledger Detail to the Association’s Lease Calculation Schedule.

Results: We noted no exceptions as a result of our procedures.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles
Page 5

7. For all adjustments identified on the Lease Calculation Schedule, we obtained the general ledger detail and cash receipt records, and reviewed the lease agreement to determine if adjustments made to gross revenues were allowable exclusions in accordance with the lease agreement.

Results: We found that adjustments were properly excluded and supported except for the following, which resulted in an underpayment of rent in the amount of \$1,159:

Per Article 3.07.a. of the Ground Lease and Operating Agreement, "advertising or promotional considerations received in connection with the operation of the Fair" is excluded from the calculation of gross revenues. Total advertising revenue of \$33,100 received during the non-fair time should not have been excluded from the Lease Calculation.

The additional amount due is calculated as follows:

	<u>Revenue Amounts</u>	<u>Fair Revenue Rent</u>	<u>Non-Fair Revenue Rent</u>	<u>Amount Due To County</u>
Sponsorship	<u>\$ 33,100</u>	1.5% <u>-</u>	3.5% <u>1,159</u>	<u>1,159</u>
Total	<u>\$ 33,100</u>	<u>-</u>	<u>1,159</u>	<u>1,159</u>

To summarize the effects of the above adjustment, we revised the Association's "Year to Date County Lease Calculation." This revised calculation is documented in Exhibit 2, which reflects the effect of the above adjustment.

TESTING OF WEEKEND NET REVENUES

In the First Amendment to the Ground Lease and Operating Agreement, dated January 28, 2000 between the Association and the County, the Association is entitled to receive a credit against its rent. The last year of the credit as stated in the amendment was 2005. Since there was no revised amendment regarding a 2006 credit, the Association did not take any credits to offset its 2006 lease calculation.

Results: We noted no exceptions as a result of our procedures.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles
Page 6

RENT PAYABLE TO COUNTY

8. We compared the total payment made to the total rent calculated by the Association for the period January 1, 2006 through December 31, 2006.

Results: Our calculation of the 2006 rent owed to the County as of June 22, 2007 is as follows:

	<u>Percentage per Agreement</u>	<u>Net Revenues</u>	<u>Rent</u>
Fair revenue	1.5%	\$30,610,345	459,156
Interim revenue	3.5%	<u>14,394,925</u>	<u>503,822</u>
2006 Rent		<u>\$45,005,270</u>	962,978
Rent paid to the County on April 30, 2007			<u>(961,819)</u>
Rent owed to the County as of June 22, 2007			<u>\$ 1,159</u>

9. We obtained a copy of the check paid to the County and reviewed Article 3, Section 3.01 and 3.06 of the Agreement to ascertain that remittance was required to be submitted on or before May 1.

Results: We noted no exceptions as a result of our procedures.

10. If there was an additional amount owed to the County, we determined if the additional amount due exceeded five percent (5%) of the total that should have been paid. Article 14.13c, paragraph 2 of the lease agreement states that "if the additional amount due exceeds 5% of the total amount that should have been paid as determined...Fair Association shall also pay the cost of the audit." Since the additional amount owed does not exceed 5% of the total that should have been paid, the Association will not have to pay the cost of the audit.

Results: We noted no exceptions as a result of our procedures.

OTHER PROCEDURES

11. We obtained the Balance Sheet for the period ended December 31, 2006, the Advance Deposits schedule that tracks unearned income throughout the year and the General Ledger detail for the Unearned Income account. We compared the detail of the total amount of unearned income at December 31, 2006 to the Advance Deposits schedule and verified that amounts recorded in the unearned income account pertained to monies received in advance for future events.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles
Page 7

Results: We noted no exceptions as a result of our procedures.

12. To ensure that 2006 revenues were applied in a manner consistent with the prior year, we compared current year net revenues (fair and interim) to prior year net revenues. Our specific tests are described as follows:

- A. For fluctuations greater than \$100,000 and 15%, we inquired with Association management as to the cause for such fluctuation.

Results: The following line items had fluctuations that warranted an explanation from management:

	<u>Net Current Year (2006)</u>	<u>Net Prior Year (2005)</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Interim Revenue:				
Training	\$ 2,681,971	2,053,796	628,175	31% a
Fair Revenue:				
Food & beverage	\$ 4,531,372	3,863,135	668,237	17% b

- a. Fair management indicated that the increase was due to the increase in contract terms between the Association and Southern California Off-Track Wagering, Inc. (SCOTW, Inc.) to reimburse the Association for certain costs directly arising from the provision of off track stabling of thoroughbred race horses.
- b. Fair management indicated that the attendance to the Fair had increased and according to the attendance and revenue report, attendance to the Fair in 2006 was 1,427,656 people compared to 1,328,015 in 2005. In addition, concessions per capita were 3.20 compared to 2.88 in 2005.

SECOND AMENDMENT

13. Pursuant to the Ground Lease, portions of the property, while not being used by the Fair Association, may be used by the Los Angeles County Sheriff ("Sheriff") for departmental training purposes. In accordance with the Second Amendment, the Sheriff may direct the Fair Association, on an annual basis, to perform maintenance and repair work that does not exceed \$55,000 in aggregate, unless approved by the Board of Supervisors.

We inquired with the Fair Association in regard to the amount of funds received from the Sheriff for maintenance and repair work performed as a result of the Second Amendment.

Results: Based upon the inquiry, the Association did not receive any funds from the Sheriff since the Sheriff did not send them an itemized list of work to be performed.



Mr. J. Tyler McCauley, Auditor-Controller
County of Los Angeles
Page 8

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We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the County and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Mayer Hoffman McLean A.C.

June 22, 2007

Year to Date County Lease Calculation - December 2006

Prepared by the Association in April 2007

	<u>Total Revenue</u>	<u>Fair Revenue</u>	<u>Less Revenue</u>	<u>Net Revenue</u>	<u>%</u>	<u>Fair Calc</u> <u>County Lease</u>	<u>Non Fair</u> <u>Revenue</u>	<u>Less Revenue</u>	<u>Net Revenue</u>	<u>%</u>	<u>Non-fair calc.</u> <u>County Lease</u>	<u>Total County</u> <u>Lease</u>
admin	3,412,699.69	112,897.16	(30,000.00)	82,897.16	1.5%	1,243.46	3,299,802.53	(3,237,240.00)	62,562.53	3.5%	2,189.69	3,433.15
communications	15.00	-	-	-	1.5%	-	15.00	-	15.00	3.5%	0.53	0.53
facilities	165,085.26	-	-	-	1.5%	-	165,085.26	-	165,085.26	3.5%	5,777.98	5,777.98
parking	6,533,461.25	3,400,210.25	-	3,400,210.25	1.5%	51,003.15	3,133,251.00	-	3,133,251.00	3.5%	109,663.79	160,666.94
trams	59,252.21	-	-	-	1.5%	-	59,252.21	(54,978.27)	4,273.94	3.5%	149.59	149.59
admissions	7,649,906.04	7,649,186.04	-	7,649,186.04	1.5%	114,737.79	720.00	-	720.00	3.5%	25.20	114,762.99
cred/badge ctr	130,501.50	-	-	-	1.5%	-	130,501.50	-	130,501.50	3.5%	4,567.55	4,567.55
food & bev	6,597,165.47	4,531,371.67	-	4,531,371.67	1.5%	67,970.58	2,065,793.80	-	2,065,793.80	3.5%	72,302.78	140,273.36
fairview farms	17,100.00	8,732.00	-	8,732.00	1.5%	130.98	8,368.00	-	8,368.00	3.5%	292.88	423.86
exhibits	376,307.91	376,307.91	(546.02)	375,761.89	1.5%	5,636.43	-	-	-	3.5%	-	5,636.43
yr sales	3,042,556.71	700.00	-	700.00	1.5%	10.50	3,041,856.71	(30,000.00)	3,011,856.71	3.5%	105,414.98	105,425.48
fair sales	5,711,700.63	5,710,700.63	-	5,710,700.63	1.5%	85,660.51	1,000.00	-	1,000.00	3.5%	35.00	85,695.51
adv sales	3,141,617.77	3,141,617.77	-	3,141,617.77	1.5%	47,124.27	-	-	-	3.5%	-	47,124.27
freeway sign	187,729.40	-	-	-	1.5%	-	187,729.40	(187,729.40)	-	3.5%	-	-
sponsorship	2,120,200.60	2,087,100.60	(2,087,100.60)	-	1.5%	-	33,100.00	(33,100.00)	-	3.5%	-	-
grandstand	1,031,044.84	1,031,044.84	-	1,031,044.84	1.5%	15,465.67	-	-	-	3.5%	-	15,465.67
grounds ent	8,320.91	7,734.41	-	7,734.41	1.5%	116.02	586.50	-	586.50	3.5%	20.53	136.54
racing	4,767,100.74	4,767,100.74	(292,319.17)	4,474,781.57	1.5%	67,121.72	-	-	-	3.5%	-	67,121.72
itrw	2,217,900.71	68.00	-	68.00	1.5%	1.02	2,217,832.71	(279,984.07)	1,937,848.64	3.5%	67,824.70	67,825.72
train	2,681,970.92	-	-	-	1.5%	-	2,681,970.92	-	2,681,970.92	3.5%	93,868.98	93,868.98
horse show	203,369.68	64,994.00	-	64,994.00	1.5%	974.91	138,375.68	-	138,375.68	3.5%	4,843.15	5,818.06
rv	2,300,319.88	261,089.73	(130,544.87)	130,544.87	1.5%	1,958.17	2,039,230.15	(1,019,615.08)	1,019,615.08	3.5%	35,686.53	37,644.70
	52,355,327.12	33,150,855.75	(2,540,510.66)	30,610,345.09		459,155.18	19,204,471.37	(4,842,646.82)	14,361,824.56		502,663.86	961,819.04

Year to Date County Lease Calculation - December 2006 (Revised)

Prepared by the Accountant in June 2007

	Total Revenue	Fair Revenue	Less Revenue	Net Revenue	%	Fair Calc County Lease	Non Fair Revenue	Less Revenue	Net Revenue	%	Non-fair calc. County Lease	Total County Lease
admin	3,412,699.69	112,897.16	(30,000.00)	82,897.16	1.5%	1,243.46	3,299,802.53	(3,237,240.00)	62,562.53	3.5%	2,189.69	3,433.15
communications	15.00	-	-	-	1.5%	-	15.00	-	15.00	3.5%	0.53	0.53
facilities	165,085.26	-	-	-	1.5%	-	165,085.26	-	165,085.26	3.5%	5,777.98	5,777.98
parking	6,533,461.25	3,400,210.25	-	3,400,210.25	1.5%	51,003.15	3,133,251.00	-	3,133,251.00	3.5%	109,663.79	160,666.94
trans	59,252.21	-	-	-	1.5%	-	59,252.21	(54,978.27)	4,273.94	3.5%	149.59	149.59
admissions	7,649,906.04	7,649,186.04	-	7,649,186.04	1.5%	114,737.79	720.00	-	720.00	3.5%	25.20	114,762.99
cred/badge ctr	130,501.50	-	-	-	1.5%	-	130,501.50	-	130,501.50	3.5%	4,567.55	4,567.55
food & bev	6,597,165.47	4,531,371.67	-	4,531,371.67	1.5%	67,970.58	2,065,793.80	-	2,065,793.80	3.5%	72,302.78	140,273.36
fairview farms	17,100.00	8,732.00	-	8,732.00	1.5%	130.98	8,368.00	-	8,368.00	3.5%	292.88	423.86
exhibits	376,307.91	376,307.91	(546.02)	375,761.89	1.5%	5,636.43	-	-	3,011,856.71	3.5%	-	5,636.43
yr sales	3,042,556.71	700.00	-	700.00	1.5%	10.50	3,041,856.71	(30,000.00)	3,011,856.71	3.5%	105,414.98	105,425.48
fair sales	5,711,700.63	5,710,700.63	-	5,710,700.63	1.5%	85,660.51	1,000.00	-	1,000.00	3.5%	35.00	85,695.51
adv sales	3,141,617.77	3,141,617.77	-	3,141,617.77	1.5%	47,124.27	-	-	-	3.5%	-	47,124.27
freeway sign	187,729.40	-	-	-	1.5%	-	187,729.40	(187,729.40)	-	3.5%	-	-
sponsorship	2,120,200.60	2,087,100.60	(2,087,100.60)	-	1.5%	-	33,100.00	-	33,100.00	3.5%	1,158.50	1,158.50
grandsland	1,031,044.84	1,031,044.84	-	1,031,044.84	1.5%	15,465.67	-	-	-	3.5%	-	15,465.67
grounds ent	8,320.91	7,734.41	-	7,734.41	1.5%	116.02	586.50	-	586.50	3.5%	20.53	136.54
racing	4,767,100.74	4,767,100.74	(292,319.17)	4,474,781.57	1.5%	67,121.72	-	-	-	3.5%	-	67,121.72
itw	2,217,900.71	68.00	-	68.00	1.5%	1.02	2,217,832.71	(279,984.07)	1,937,848.64	3.5%	67,824.70	67,825.72
train	2,681,970.92	-	-	-	1.5%	-	2,681,970.92	-	2,681,970.92	3.5%	93,868.98	93,868.98
horse show	203,369.68	64,994.00	-	64,994.00	1.5%	974.91	138,375.68	-	138,375.68	3.5%	4,843.15	5,818.06
rv	2,300,319.88	261,089.73	(130,544.87)	130,544.87	1.5%	1,958.17	2,039,230.15	(1,019,615.08)	1,019,615.08	3.5%	35,686.53	37,644.70
	52,355,327.12	33,150,855.75	(2,540,510.66)	30,610,345.09		459,155.18	19,204,471.37	(4,809,546.82)	14,394,924.56		503,822.36	962,977.54

Exhibit 3

Los Angeles County Fair Association
Lease Payable
For the Period Ended December 31, 2006

	<u>GROSS REVENUE</u>	<u>RATE</u>	<u>RENT AMOUNT</u>
FAIR REVENUE:			
Total Revenue	\$ 33,150,856		
Excluded items:			
Sponsorship	(2,087,101)		
State Appropriation	(30,000)		
Exhibits	(546)		
Advance Distribution Wagering	(292,319)		
RV Part 50% pro rata share	<u>(130,545)</u>		
Adjusted gross fair revenue	<u>30,610,345</u>	1.5%	459,156
INTERIM REVENUE:			
Total interim revenue	19,204,471		
Excluded items:			
Land Rent - Sheraton	(50,012)		
Government payments	(3,187,228)		
Year Sales - Offsite Die Hard Shooting	(30,000)		
RV Park 50% pro rata share	(1,019,615)		
Advance Deposit Wagering	(279,984)		
Trams	(54,978)		
Freeway sign	<u>(187,729)</u>		
Adjusted gross interim revenue	<u>14,394,925</u>	3.5%	503,822
PARCEL 1 REVENUE	-	75.0%	<u>-</u>
TOTAL RENT AMOUNT			962,978
Less Rent Paid on April 30, 2007			<u>(961,819)</u>
TOTAL RENT UNDERPAID (as of June 22, 2007)			<u>\$ 1,159</u>